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Phil Foil
Georgia Department of Community Affairs

What is the HHF?

The United States Department of Treasury established the Hardest Hit Fund (HHF) Program in February 2010 to help the states "hardest hit" by the economy.

States receiving funding include Alabama, Arizona, California, Florida, **Georgia**, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, and the District of Columbia

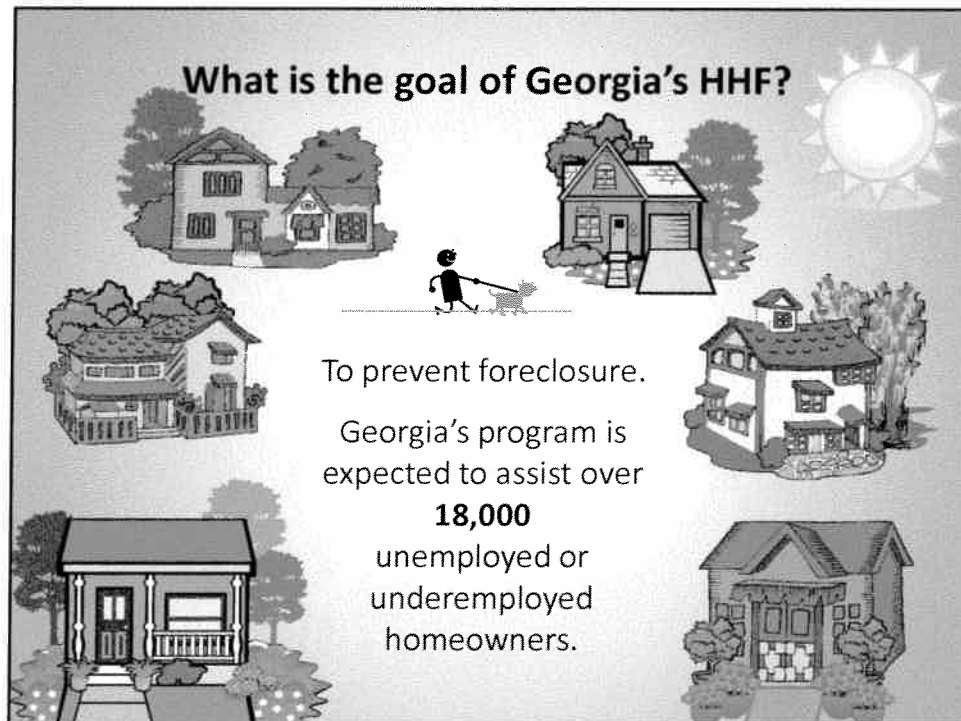


Each state could choose their own type of mortgage assistance programs and eligibility requirements for the programs as long as unemployment mortgage assistance was included.

The HHF plans for Georgia was approved on September 23, 2010. The purpose of Georgia's HHF Program is to help Georgia homeowners who have experienced a substantial decrease in income due to job loss or underemployment by providing a mortgage payment bridge while they seek new or better employment. The Georgia Department of Community Affairs (DCA) is partnering with GHFA Affordable Housing, Inc. to administer the program under the name HomeSafe Georgia.



What is the goal of Georgia's HHF?



To prevent foreclosure.

Georgia's program is expected to assist over

18,000

unemployed or underemployed homeowners.

Georgia's HHF Assistance Programs

- Mortgage Payment Assistance
 - Up to 18 months of mortgage payments made directly to the lender
 - If assistance is not needed for 18 months, remaining funds can be used to pay delinquent payments
 - Reinstatement Assistance
 - Up to 6 months of mortgage payments plus lender fees in a **one-time** payment to the lender, not to exceed the equivalent of 18 **monthly** payments
- Loans have **0% interest** and are forgivable after 5 years (20% per year).
- There is no cost to apply and no closing costs.

UNEMPLOYED through no fault of their own



UNDEREMPLOYED OR SELF EMPLOYED experiencing a significant loss of income

- Previously unemployed/ self employed and took a lesser position out of necessity
- Hours and/or salary significantly cut
- Self employed person will be required to provide additional documentation
- Must be able to work and be seeking new/better employment

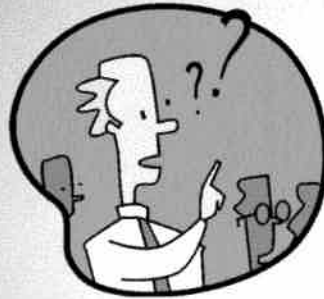


Can you tell me if I am eligible?

Customer Service can answer general questions, but will not be able to tell an applicant if he/she is eligible for the program. HomeSafe Georgia staff will check your eligibility when your application and supporting documents are reviewed.

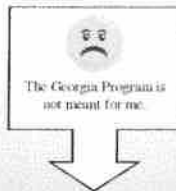


How can I tell if I am eligible?



The HomeSafe Georgia website has an explanation of the eligibility requirements and a checklist that can be used by the applicant. (See Eligibility Requirement tab.)

These little guys can help the applicant along the way--



Applicant eligibility requirements

Applicant must be:

Currently unemployed OR

Currently substantially underemployed OR

Currently able to make your mortgage payment, but got behind on the mortgage while you were unemployed or underemployed.

The HHF Program is designed to provide temporary mortgage assistance to Georgia homeowners who have suffered a substantial income loss due to involuntary unemployment or underemployment. Here is a look at each situation individually for eligibility.

For Mortgage Payment Assistance

•Unemployed

- Your unemployment must have been involuntary, through no fault of your own
- Your termination must have been of a type eligible for unemployment benefits
- If you are eligible for unemployment benefits, you must have accepted them

•Underemployed

- You are person who was previously involuntarily unemployed or self employed, who took a significantly lesser position out of necessity OR
- Your hours have been significantly cut OR
- Your pay has been significantly reduced

•Self employed

- If you are self employed, you must be able to fully document a significant loss of income

For Reinstatement Assistance

•Currently Employed and Making Payments

- You have made the last three monthly mortgage payments within the month due since becoming re-employed

What applicant **may not be eligible** under this program?

- A person who quit their job, with a few exceptions
- A person who receives Social Security or other retirement
- A person who is on disability

In order to be eligible under these circumstances, the applicant must be able to demonstrate that employment income was earned and then involuntarily lost or significantly cut, and the applicant is able and willing to work. The Department of Labor's decision on eligibility for unemployment benefits is taken into consideration Georgia's eligibility. The situations listed above would not prevent a co-applicant from being included in the application as long as the applicant is eligible.

Additionally, there are unfortunate situations that may decrease household income, but **do not meet eligibility requirements as a significant loss of income** under this program:

- Loss of bonus, raise, or overtime pay
- Loss of income due to intermittent furloughs
- Loss of child support or alimony
- Loss of income due to divorce or separation
- Loss of income due to illness
- Loss of income due death of a spouse, partner, contributing family member, etc.

More applicant eligibility requirements

Must have been current on mortgage payments prior to the period of unemployment or underemployment; Your mortgage history will be reviewed. You must have been current on your mortgage prior to the unemployment/underemployment event, and you cannot be more than six months behind on your mortgage when you submit your loan application package.

Must have monthly mortgage payment(s) greater than 31% of current monthly household income;

Your gross household income will be compared to your home's mortgage payment or payments to determine if assistance is needed. Don't worry if you are not sure if you meet this requirement; we will do the calculations if you apply. We will add the payments of your first, second, and even third mortgages together (find the payment amount on your mortgage coupon or statement); we will also include any Condo Homeowner Association dues (no other non-escrowed amounts can be included); and then divide that by your gross household income. Example: Total gross household income is \$1200; mortgage payments total \$600; your monthly mortgage payment would be 50% of your income, greater than the 31% required. Alternatively, if the total gross household income was \$2400 with a mortgage payment of \$600, your monthly mortgage payment would be 25%, less than the minimum requirement.

Cannot have more than \$5,000 in liquid assets;

"Liquid assets" includes the money in your checking and savings account, some investment accounts, and any cash in hand. Retirement plans are excluded from consideration. (If you already cashed out your retirement fund and those funds are included in your liquid assets which now exceed the maximum, you would need to provide documentation.)

Cannot have an active bankruptcy;

If you have filed for bankruptcy, it must have been discharged or dismissed. (Also, filing for bankruptcy after application approval or at any time during your participation in the Program will cause loss of eligibility.)

Cannot have an IRS or Georgia tax lien;

You cannot have any of these liens against you personally or against your property.

Cannot have been convicted of a mortgage related felony in the last 10 years;

The Dodd-Frank Wall Street Reform and Consumer Protection Act prohibits anyone from receiving mortgage assistance authorized or funded by that Act if he/she has been convicted within the last 10 years of a felony (larceny, theft, fraud, or forgery; money laundering; or tax evasion) in a mortgage or real estate transaction.

Must be the owner of the property; and must be a citizen and legal resident of the United States and Georgia.

You must be the owner of the property and must meet residency requirements.

Georgia property requirements

Must be the primary residence of applicant;

The mortgage assistance must be for the home in which you live and where you should have requested a homestead exemption. You may rent out a portion of the home, but you must live in the home as well. Individuals who own more than one home will not receive approval if property residency cannot be clearly established. Investment/rental homes and second homes do not qualify for assistance.

Must be a single-family home, condominium, or townhome; or a two, three, or four family dwelling unit (in which the applicant resides in one unit); Must be classified as real estate and affixed on permanent foundation if a manufactured or mobile home;

Your home must qualify as residential property. The mortgage loan must qualify as a residential loan consisting of up to four units, as long as you live in one of the units.

The sum of all mortgage debt must not be more than 125% of the value of the property;

Don't worry; we don't expect you to know the value of your property in these tough economic times. As part of the loan process, we will order an **AVM (Automated Valuation Model)** a service that uses mathematical modeling to value properties) which will give us the property value. The total of all liens secured by the property is then divided by the property value. The mortgage debt cannot exceed 125% of the value of the home (125% LTV). Unfortunately it is possible for a home to be worth much less now than when it was purchased, which would increase the LTV percentage and could eliminate some properties from eligibility.

The total unpaid principal balance, including all mortgages and lines of credit, must be less than or equal to \$417,000.

The total balance of all loans secured by the property cannot exceed \$417,000, which is the conforming loan limit for a conventional loan.

Applicant may be required to pay an affordable payment while receiving the assistance.

Your gross household income is reviewed and an underwriting formula is used to determine if you are required to make partial mortgage payments. The amount of the payment can change with an increase or decrease in the gross household income. Additionally, payments may increase every six months of participation. These payments will be combined with the assistance payments to your lender.

Applicant's lender or lenders must participate in the program.

- Lenders on the first and second mortgage must be participating
- Lender may choose to participate in one or both programs
- Each lender can set requirements for loans in foreclosure

Other underwriting criteria may apply.

Applicants must meet all eligibility requirements to qualify.



YES	NO	NOT SURE	ELIGIBILITY REQUIREMENT
		*	I have checked the list of participating lenders, and all my lenders appear on the list.
			I am unemployed or I am underemployed and have suffered a significant income loss. Or, I am now employed and making my mortgage payments, but fell behind on my mortgage during the time I was unemployed or underemployed.
		*	I have read the specific requirements regarding conditions of unemployment or underemployment and meet these conditions.
			My mortgage payments were made on time prior to my unemployment or underemployment.
			I am over six months behind on my mortgage.
			My mortgage payment is at least 31% (.31) of my gross household income.
	*		My liquid assets exceed \$5,000.
			I am currently in bankruptcy.
			I have an IRS or Georgia tax lien against me or my property.
			I am the owner of the property, a US citizen, and a Georgia resident.
			I live in the home (primary residence) for which I need assistance.
			My home meets the residential property requirements.
			My mortgage debt to value is equal to or less than 125%.
			The total of all my home's mortgage loan balances is equal to or less than \$417,000.
			I have been convicted of a felony in a real estate transaction in the last 10 years.

The boxes are color coded to assist you.

- If you checked a green box, you met that eligibility requirement.
- If you checked a red box, you did not meet that eligibility requirement.
- If you checked a yellow box (*), there may be extenuating circumstances that must be reviewed prior to making a determination of eligibility.

If all the boxes you checked are green, you can apply with confidence that you have met the minimum requirements. If you have checked a red box, you have indicated that you would not meet the eligibility requirement. All eligibility requirements must be met to receive approval.

Find this on the APPLICATION WEBSITE under ELIGIBILITY REQUIREMENTS: "Thank you for taking the time to learn about HomeSafe Georgia. [Click here for an eligibility checklist to help you make a determination regarding your eligibility.](#)"



Frequently Asked Questions

I just tried to apply on-line and could not. Why?

- ❖ Volume of applications received may require that the system be shut down. The information regarding the availability will be noted on our homepage.
- ❖ Already applied- system allows only one application.

How long does the process take? Due to the expected volume of applications, it may be up to 12 weeks. The applicant will receive notice that the application package was received, and will not hear further until a processor is assigned to work the application.

I need immediate help. Can my application be rushed? No. Applications are worked in the date order the application package is received to be fair to all applicants. The applicant may wish to discuss options with their lender's loss mitigation department.

I am in foreclosure. Can I apply? Anyone can apply, but most loans in foreclosure do not meet the eligibility requirements. Submitting an application does not guarantee approval and does not stop the foreclosure process; DCA will contact the lender only after the application has received underwriter approval; the lender does not have to stop the foreclosure process.

I know my credit score is bad. Does that matter? Credit scores or total debt to income is not considered in approval.

What happens if I apply and I am not eligible? The applicant will receive a Statement of Ineligibility or Denial after the application is reviewed.

What is the cost to apply?

There are no fees associated with the application or funding process; however, the applicant may be required to make partial mortgage payments to DCA with Payment Assistance during participation in the program.

My lender is not participating. Why not? Most of the larger lenders will participate within 60 days of launch. DCA is actively seeking lender participation.

- The application will not be reviewed for eligibility if the applicant's lender or lenders are not participating
- If an applicant submits the application anyway, the application processing date will not start until after the lender is participating
 - Submitting an early application should not be discouraged but full disclosure should be given
 - ✦ Provides information to give to lender
 - ✦ Application is in limbo; can apply on line to provide lender info without submitting application package (requires current info)

What happens to my mortgage payment when I apply? Applying for HHF assistance does not change anything. If approved, DCA will contact the lender, who must accept the assistance and arrangements can then be made for payments. The applicant should discuss the situation with his/her lender's loss mitigation department if he/she is struggling with making payments.

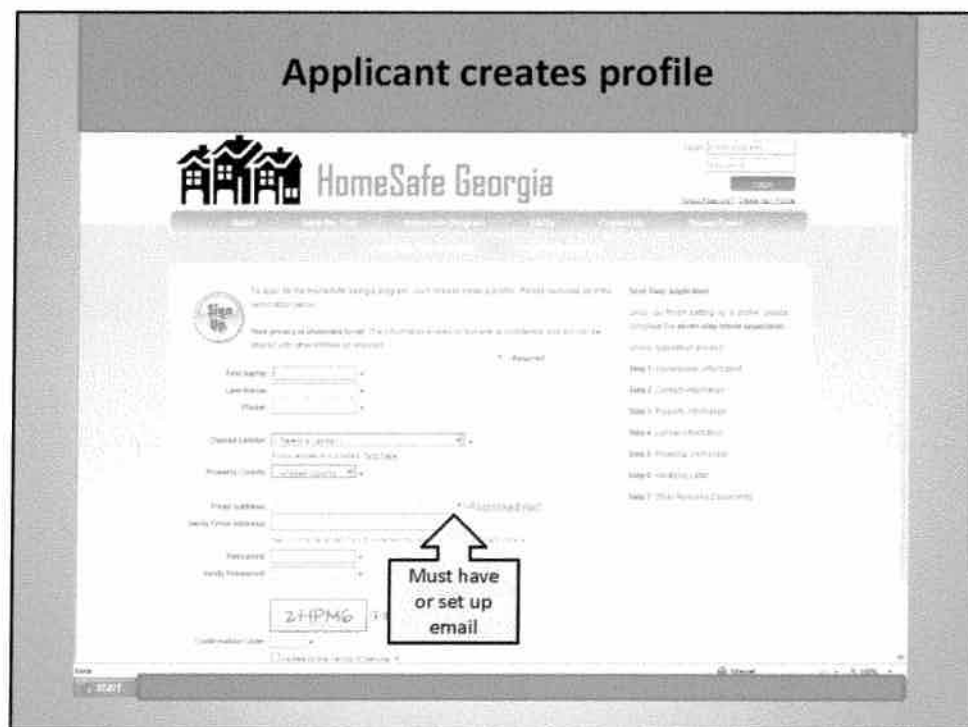
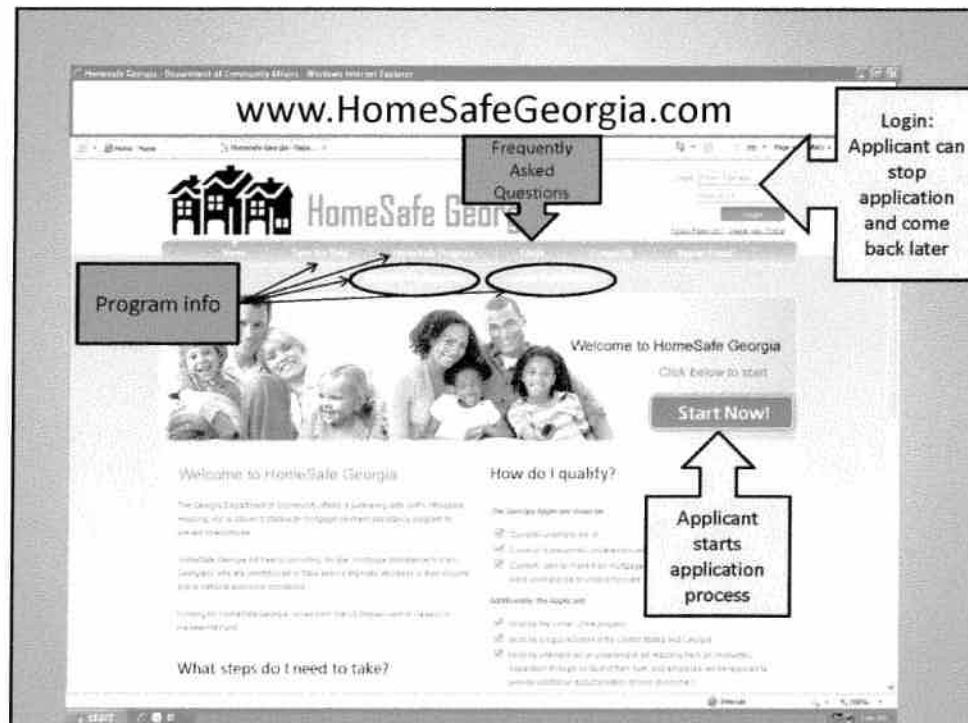
Questions regarding the Program or during application:

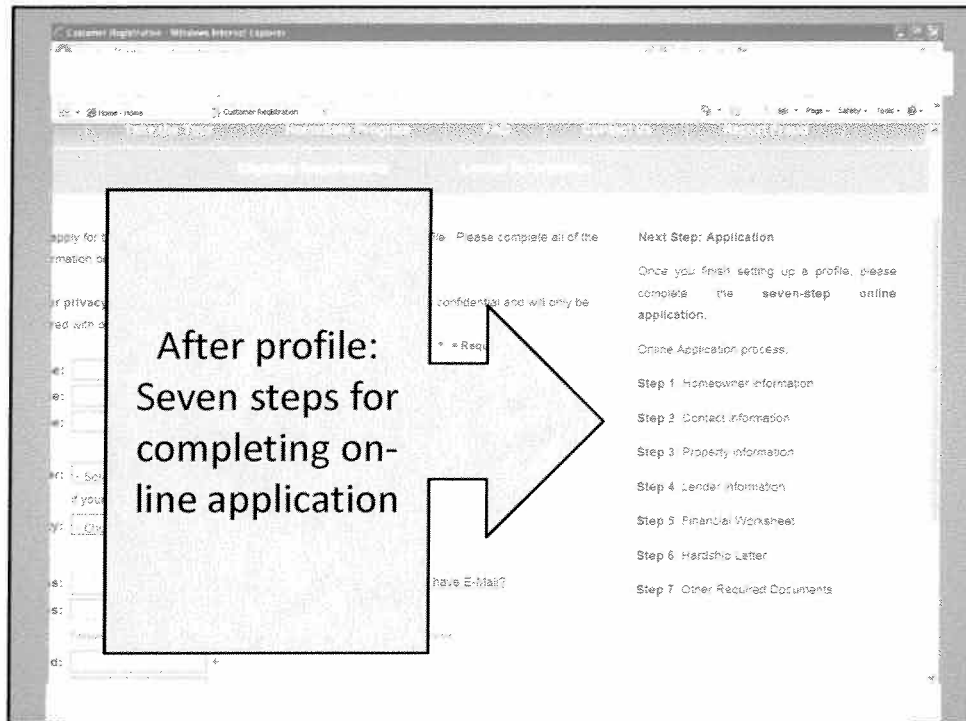


Call 404-519-4443
Toll free 1-877-519-4443



hhf@dca.ga.gov





**After you complete your application on-line,
you will be asked to download your
documents.**

1. Download and print
2. Read, complete, and sign where indicated- all borrowers
3. Gather all supporting documents on the checklist
4. Fax entire package to HomeSafe Georgia
404-679-0605 or 1-888-946-6723



You will receive an email acknowledging receipt of your application package. **THANK YOU**

Your application will be assigned to a processor, who will review your application and supporting documentation. Submitting a signed complete application package will avoid processing delays.



Allow up to 12 weeks for a decision

Review for applications for which the lender is not participating will be held until lender participation approval.

Not eligible but need help, or need help now?

- Contact your lender or servicer's Loss Mitigation department and ask what type of assistance they offer. Ask about forbearance plans that are available for unemployed homeowners.
- Visit the Making Home Affordable website for information on programs that may be available to you- <http://www.makinghomeaffordable.gov>
- Contact a HUD approved housing counselor to determine if there are other assistance programs for which you may qualify or if you need foreclosure counseling: www.dca.ga.gov/housing/homeownership/programs/downloads/HBed.pdf
- Contact United Way by dialing 211 for referral to available local assistance.

